

Interstate Land Sales
(Advertising and sale in this State of property in another State)

Definitions [20-329a]:

As used in sections 20-329a to 20-329n, inclusive:

(1) “Disposition” or “dispose of” means any sale, exchange, lease, assignment, award by lottery or other transaction designed to convey an interest in a subdivision or parcel, lot, or unit in a subdivision when undertaken for gain or profit;

(2) “Offer” means every inducement, solicitation or attempt to bring about a disposition;

(3) “Person” means an individual, firm, company, association, corporation, limited liability company, government or governmental subdivision or agency, business trust, estate, trust, partnership, unincorporated association or organization, two or more of any of the foregoing having a joint or common interest, or any other legal or commercial entity;

(4) “Broker” means a ***resident*** real estate broker duly licensed under this chapter;

(5) “Salesperson” means any person duly licensed as a real estate salesperson under this chapter;

(7) “Subdivision” means any improved or unimproved land or tract of land located outside this state which is divided or proposed to be divided into five or more lots, parcels, units, including time-share units, or interests for the purpose of disposition, at any time as part of a common promotional plan. Any land which is under common ownership or which is controlled by a single developer or a group of developers acting in concert, is contiguous in area, and is designated or advertised as a common unit or known by a common name, shall be presumed, without regard to the number of lots, parcels, units or interests covered by each individual offering, to be part of a common promotional plan; and

(8) “Advertising” means publishing or causing to be published: (A) By means of any newspaper or periodical; (B) by means of any radio or television broadcast; (C) by means of any written or printed or photographic matter produced by any duplicating process producing ten copies or more, any information offering for sale or for the purpose of causing or inducing any other person to purchase or to acquire an interest in the title to subdivided lands, including the land sales contract to be used and any photographs or drawings or artist's representations of physical conditions or facilities on the property existing or to exist; or (D) by means of any material used in connection with the disposition or offer of subdivided lands by radio, television, telephone or any other electronic means. “Advertising” does not include: Stockholder communications such as annual reports and interim financial reports, proxy materials, registration statements, securities prospectuses, applications for listing securities on

stock exchanges, and the like; prospectuses, property reports, offering statements or other documents required to be delivered to prospective purchasers by an agency of any other state or the federal government; all communications addressed to and relating to the account of any persons who have previously executed a contract for the purchase of the subdivider's lands except where directed to the sale of additional lands; or press releases or other communications delivered to newspapers or other periodicals for general information or public relations purposes, provided no charge is made by such newspapers or other periodicals for the publication or use of any part of such communications.

License Requirements:

1. No *subdivision* shall be *disposed* of except through a *broker* [20-329h(a)].
 - a. *Broker* may employ any *salesperson* for the specific purpose of *offering* or *disposing* of any *subdivision* on behalf of such *broker* and under contract to such *broker*
 - b. Prior to any *offering* or *disposition* the name of such *broker* shall be placed on file with the department

2. No *subdivision* shall in any way be *offered* or *disposed* of in this state by any *person* or *broker* until [20-329c]:
 - a. Such *person* or *broker* has appointed in writing the Connecticut Secretary of the State as agent for service of process
 - i. Such written appointment shall be notarized and filed in the office of the Secretary of the State, and copies certified by the Secretary of the State shall be sufficient evidence of such appointment and agreement;
 - b. Such *person* or *broker* has posted with the department such bond, in favor of the state, in such amount as the department may in its discretion determine, with a surety company authorized to do business in Connecticut; AND
 - c. Such *person* or *broker* has received a license [20-329f]

3. Issuance of License Requires [20-329f]:
 - a. Receipt by department of ONE of the following:
 - i. Abbreviated Application (If *subdivision* is registered in another jurisdiction) [20-329m-6]:
 1. An exemption application form duly completed under oath;
 2. A copy of all the materials and documentation supplied to or registered with such other state or jurisdiction, including but not limited to the sales prospectus to be used in the *offer* or *disposition*;
 3. A certificate in letter form from such other state or jurisdiction
 - a. Establishing the authenticity and accuracy of said materials and documents and that same have been filed or registered with such other state or jurisdiction

- b. Certifying that the applicant is of good standing in such state or jurisdiction and that he has not had his real estate license revoked or suspended and listing any arrest or conviction within ten years prior thereto connected with the following offenses: forgery, embezzlement, obtaining money under false pretenses, extortion, criminal conspiracy to defraud, or other like offense or offenses
4. Filing fee of \$300.00 for each *subdivision*; AND
5. Initial fee, computed as provided in section 20-329f(b)
- ii. Effective Statement of Record (If *subdivision* is registered under Federal Interstate Land Sales Full Disclosure Act) [20-329b(c); 20-329m-5]:
 1. A certified copy of the effective statement of record filed with the Department of Housing and Urban Development (“HUD”);
 2. A certificate in letter form from the secretary of HUD confirming the filing with him of the particular *subdivision* and of the effective statement of record;
 3. Application Form:
 - a. A questionnaire and license application form duly completed by the applicant under oath. Such questionnaire and license application form shall include but shall not be limited to a statement by the applicant (a) that he has reviewed and verified the truth, authenticity and accuracy of all papers, maps, plats, plans, drawings, photographs, permissions, licenses, documents, deeds, instruments and promotional material, including but not limited to the sales prospectus or property report which is to be used in every offer of disposition in this state of any *subdivision*, and (b) that all said materials and documentation reasonably portray the facts relating to the *subdivision* and its situation and location, and (c) that said materials and documentation are in no way misleading and subject to misinterpretation by the public [20-329m-4];
 4. Proof of compliance with the requirements of section 20-329c of the general statutes relating to the appointment of the secretary of the state as the *broker's* attorney for service of process [20-329m-4];
 5. Narrative description of the promotional plan for the *disposition* of the *subdivision* and copies of all *advertising* material which has been prepared for public distribution by any means of communications ;

6. Filing fee of \$300.00 for each *subdivision* covered by such effective statement of record; AND
 7. Initial fee, computed as provided in section 20-329f(b)
- iii. Completed License Application (If *subdivision* is NOT registered in another jurisdiction and is NOT registered under Federal Interstate Land Sales Full Disclosure Act) [20-329d]:
1. Application Form (see ii-3-a)
 2. Proof of compliance with the requirements of section 20-329c of the general statutes relating to the appointment of the secretary of the state as the *broker's* attorney for service of process [20-329m-4];
 3. Such particulars and details ... as the department may by regulation require [20-329m-4]:
 - a. Details of any bond which may be required by the department;
 - b. A certified, carbon, photographic, Xerox or similarly reproduced copy of any title policy covering the subdivision;
 - c. A copy of any trust deed or mortgage affecting the *subdivision*, together with a copy of the conditional or partial releases to be used in the disposition of any lot, parcel, unit or interest in the *subdivision*;
 - d. A detailed statement of the method of handling all deposit monies received by the *broker* from any person, purchaser or prospective purchaser including but not limited to the name and address of the bank in which the escrow account is established, as well as the account number. In addition, such money shall remain in such escrow account, in accordance with section 20-329n, until final legal disposition is made by the person legally entitled to such money;
 - e. Copies of all papers and documents to be used in any disposition in this state, including but not limited to any deed, trust deed or instrument, warranty deed, quitclaim deed, contract, agreement, lease, option, deposit receipt and maps, plan, drawings, or photographs or both;
 - f. Copies of all conditions, restrictions, covenants, reservations and encumbrances affecting the subdivision, including but not limited to mineral or other such rights;
 - g. Copies of all maps, plats or plans, approved by the local governmental authority, with evidence of such approval, depicting the *subdivision* or property or interest to be *offered for disposition*, together with maps depicting the topography and soil composition and definitive plans for construction; all such maps, plats or

- plans to be certified as to their accuracy by a duly qualified and licensed engineer;
- h. (a) Copies of all documentation or reports issued by the local governmental authority with respect to
 - i. the availability and potability of water,
 - ii. the sanitary disposal of human waste,(b) a complete report of all flood hazards and drainage affecting the *subdivision*, as issued by the local flood engineer or other competent and qualified authority, (c) a complete report covering the construction of access highways, roads and sidewalks affecting the subdivision, and (d) a complete report relating to the services which will be available to each purchaser of any lot, parcel, unit or interest in the *subdivision*;
 - i. (a) Copies of proofs of all advertising and promotional material to be used in this state, including but not limited to a detailed description and legal description of the *subdivision*, together with a map showing the division proposed or made, the dimensions of the lots, parcels, units, or interests and the relation of the subdivision to existing streets, roads, and other offsite improvements, (b) Copies of the sales prospectus or property report to be used, (c) The plan under which the *disposition* of the *subdivision* or any lots, parcels, units or interests therein is to be made;
 - j. A copy of the price list of all the lots, parcels, units or interests in the *subdivision* and the terms and conditions of any *offering* under which any person or purchaser is to be induced to accept any such offer;
 - k. The names and addresses of the persons in whom title to the *subdivision* is vested, together with the names and addresses of all other persons having a financial interest in the proposed offer or promotional sale or both;
 - l. An adequate financial statement covering the persons in whom title to the *subdivision* is vested, together with at least two bank references in respect of each such person;
 - m. A statement made under oath by those persons setting forth in detail (a) any prior arrests, proceedings or convictions in any jurisdiction against such persons within ten years prior to the date of the application, concerning the following charges or offenses: forgery, embezzlement, obtaining money under false pretenses, extortion, criminal conspiracy to defraud, or other like offense or offenses (b) whether any of them has ever

- had his real estate license revoked or suspended, and (c) if there have been no such arrests, proceedings, convictions, license revocations or suspensions, said statement shall clearly state that there have been "none";
 - n. A copy, certified by a duly authorized and qualified person, of any report, review, inspection, approval or release which may have been required by the state or jurisdiction in which the *subdivision* is located;
 - 2. Narrative description of the promotional plan for the *disposition* of the *subdivision* together with copies of all *advertising* material which has been prepared for public distribution by any means of communications;
 - 3. Filing fee of \$300.00 for each *subdivision* to be *offered* or *disposed* of; AND
 - 4. Initial fee, computed as provided in section 20-329f(b)
4. Duties of the Department [20-329f]:
- a. Complete a full investigation of all information placed before the Department of Consumer Protection [20-329e]
 - b. Within 3 months from the receipt of the application (unless the applicant and the department agree otherwise), the department must:
 - a. Approve or disapprove the submitted materials; AND
 - b. If satisfied, issue to the applicant a license to *offer* and *dispose* of in this state the *subdivision* that is the subject of the application or such effective statement of record
5. Renewal and Amendments:
- a. Such license shall be valid for one year and may be renewed annually upon payment to the department of a fee, computed as provided in section 20-329f(b)
 - b. If there is a material change affecting such *subdivision* or the *offer* or *disposition* thereof, all new facts shall be reported to the department immediately. Upon receipt of such report or in the event that any such material change is discovered by or comes to the attention of the department through other sources, the department may, after hearing pursuant to section 20-321, take such action as the department considers necessary, including the suspension or revocation of such license if justified [20-329f]
 - i. Every *broker* who has been granted a license to *offer* for *disposition* in this state any *subdivision* shall immediately report in writing and under oath to the department all factual changes in any way materially affecting the value, marketability, or use of the *subdivision* or the *offering* or *disposition* thereof, provided, if no such changes have occurred, this fact shall be reported in writing and under oath

by the *broker* to the department at least every six months [20-329m-9]

- c. The fee for filing a consolidation or an additional number of lots not included in the initial filing is \$300.00

Excepted Activities [20-329b]:

- Sections 20-329a to 20-329m, inclusive, shall not apply to [20-329b(a)] :
 - A purchaser of any *subdivision* for his/her own account in a single or isolated transaction
 - Any person who is engaged in the construction of residential, commercial or industrial buildings, other than any *subdivision* for *disposition*
 - Pursuant to the order of any CT court or any government or government agency
 - Any *offer* or *disposition* of any evidence of indebtedness secured by way of any mortgage or deed of trust of real estate
 - Securities or units of interest issued by an investment trust regulated under laws of CT
 - Cemetery lots
 - Leasing of apartments, offices or stores, or the leasing of similar space within any apartment building, commercial building or industrial building
- The department may from time to time, pursuant to rules and regulations issued by the department of consumer protection, with the advice and assistance of the department, exempt any *subdivision* from any of the provisions of sections 20-329a to 20-329m, inclusive, if the department finds that the enforcement of said sections is not necessary in the public interest and for the protection of purchasers by reason of the small amount involved or the limited character of the *offering*, or because such property has been registered and approved pursuant to the laws of any other state [20-329b(b)]